Brown, Brian (TM)

From: Morris, Craig
Sent: Tuesday, January 04, 2011 5:19 PM
To: Brown, Brian (TM)
Subject: FW: Small Business Study
Attachments: 199417 - Ltr The Honorable David Kappas Small Business Study - 1 - DOC_CENTRAL.DOC

Brian, these are all going to come as separate forwarded e-mails.

From: Zefo, Ruby A [mailto:ruby.a.zefo@intel.com]
Sent: Tuesday, January 04, 2011 4:50 PM
To: TMFeedback
Cc: Zefo, Ruby A; Smith, Kelly W
Subject: Small Business Study

Dear Under Secretary Kappos,

Attached is Intel Corporation's response to the United States Patent and Trademark Office's request for comments associated with the Trademark Technical and Conforming Amendment Act of 2010. Pub. L. No. 111-146, 124 Stat. 66 (2010), regarding Intel's experience with litigation tactics in trademark cases.

Regards,

Ruby A. Zefo
Director, Trademarks & Brands Legal
Intel Corporation

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January 4, 2011

Via Email:
TMFeedback@uspto.gov

The Honorable David Kappos
Under Secretary of Commerce for Intellectual Property
and Director of the United States Patent and Trademark Office (USPTO)
Mail Stop - Comments
P.O. Box 1450
Alexandria, VA 22313-1450

RE: Small Business Study

Dear Under Secretary Kappos,

Intel Corporation appreciates the opportunity to respond to the United States Patent and Trademark Office's (USPTO) request for comments from U.S. trademark owners, practitioners, and others regarding their experience with litigation tactics, especially those involving an attempt to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner.

Intel understands that the USPTO request for comments is the result of the Trademark Technical and Conforming Amendment Act of 2010. Pub. L. No. 111-146, 124 Stat. 66 (2010). The Act included a provision requiring the Secretary of Commerce, in consultation with the Intellectual Property Enforcement Coordinator, to conduct a study and report to the Committees on the Judiciary of the House and Senate on "(1) the extent to which small businesses may be harmed by litigation tactics . . . attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner; and (2) the best use of Federal Government services to protect trademarks and prevent counterfeiting." Id. at § 4.

Intel is a world-famous company that develops, manufactures and sells a wide variety of computer, communications and technology-related products and services. Intel has 79,800 employees worldwide, with 55% of those employees located in the U.S. In 2009, Intel's net revenue was $35.1 billion.

For over 40 years, Intel has used INTEL as a trade name, trademark and service mark to identify virtually its entire line of products and services.[1] INTEL is one of the most valuable, respected

[1] Intel Corporation is the owner of 62 U.S. trademark registrations and 20 U.S. trademark applications.

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and famous names and trademarks in the world. In 2009, Interbrand's Best Global Brands survey ranked the INTEL brand seventh in the world, with an estimated value of $32 billion.

In order to preserve the enormous investment and resulting value in the famous INTEL trademark, Intel regularly enforces its rights in this and its other trademarks in the United States and abroad. While Intel prefers to resolve matters amicably, when infringers or diluters are unwilling to engage in reasonable settlement discussions, Intel files oppositions with the USPTO and/or initiates litigation in US courts. As a matter of practice, Intel generally does not withdraw USPTO actions or litigations once initiated without an agreement or order that includes the applicant's or defendant's ceased use of the diluting/infringing mark.

As an initial matter, Intel notes that all trademark owners are not only entitled, but have the obligation, to prevent infringing or diluting uses of their trademarks to maintain protection in the marks. This obligation holds regardless of a disparity between the size of the parties involved in the dispute. In fact, the "death by a thousand cuts" which can initiate trademark dilution is often begun by an individual or small business attempting to free ride off of a much larger company's well-known brand. Intel urges the USPTO and Congress not to assume that any trademark lawsuit brought by a corporate plaintiff against a small business or individual defendant automatically involves "litigation tactics by corporations attempting to enforce trademark rights beyond a reasonable interpretation of the scope of the rights granted to the trademark owner" or so-called "trademark bullying". Rather, as with any USPTO or court matter, each case should be analyzed on its own facts, under well-established mechanisms already in place.

Further, Intel does not agree that aggressive litigation tactics are more pervasive in the trademark area than in other areas. However, it may be that small business or individual defendants in trademark cases may be more likely to *perceive* they are being bullied simply because trademark law – especially the laws prohibiting dilution of a famous trademark – are unknown or unclear to many such defendants and their counsel. For example, in Intel's experience, many small business or individual defendants adopting INTEL or an INTEL-based trademark do not understand that a strong trademark can be enforced broadly against even non-competing goods and services under an infringement analysis, or that infringement can exist absent wrongful intent or evidence of actual confusion. In addition, small business or individual defendants (and often their attorneys, who may have no experience with trademark law) are often entirely unaware of the laws of trademark dilution, and that a mark can be likely to dilute, completely absent any likelihood of confusion. Thus, these small business and individual defendants often perceive that they are being "bullied" even though Intel's claim is fully supported by federal trademark infringement and/or dilution law, in addition to state laws.

If in fact some trademark plaintiffs (regardless of size) are overreaching in their claims, Intel does not believe that any USPTO action and/or additional legislation is required to discourage this so-called trademark "bullying." If a corporate plaintiff (or any plaintiff) attempts to enforce its trademark rights beyond a reasonable interpretation of the scope of its rights in the mark, the defendant has existing remedies based on well-established legal standards. A defendant can bring an action for a declaratory judgment of non-infringement or non-dilution (and in Intel's experience, the "bullying" has occasionally been on the part of a smaller defendant rushing to court to file a declaratory relief action after receiving a single cease-and-desist letter, in an obvious attempt to forum shop). Alternatively, a defendant can file a motion to dismiss or a

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motion for summary judgment and seek its attorney's fees in exceptional cases (15 U.S.C. sec. 1117(a)) or seek Rule 11 sanctions if the complaint is meant to harass or the claims are not warranted by existing law. Whether a trademark owner has a valid claim or is "bullying" a defendant is an exceptionally fact-based inquiry that cannot and should not be legislated in advance, or targeted to only some entities based on size, but should be addressed by existing means.

Finally, if the USPTO or other government agency desires to address this issue, Intel suggests that the government spend its limited resources in funding additional education in the area of trademark law, particularly targeted to individuals and small businesses who often don't obtain any legal advice prior to adopting trade names and trademarks. Such education could significantly improve the quality of analysis when businesses adopt new names and prevent the subjective impression of being "bullied" by appropriate and lawful enforcement actions. In addition, government funds could be used to support early ADR mechanisms such as voluntary and court-ordered early neutral evaluation, settlement conferences and mediation. These mechanisms can help defendants understand both the plaintiff's position and the law and may help to alleviate any perception of "bullying."

Sincerely,

Ruby A. Zefo
Director, Trademarks & Brands Legal

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